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December 9, 2015

Michigan House Appropriations Committee
351 Capitol Building
Lansing, MI 48933

House Appropriations Committee Members:

I am writing to encourage your support of House Bill 4388, legislation that modifies school districts' permissible use of sinking funds to include the purchase of technology and security equipment.

Under current law, a sinking fund is a voted millage that may be used for very limited infrastructure construction and repair purposes. The law was enacted in the 1970s and infrastructure meant something different than it does today. As a result, technology and security were excluded from the original statute.

This legislation will save taxpayers money. Currently, school districts have the ability to issue bonds for the same uses proposed under this legislation. When bonds are issued by a school district, taxpayers are responsible for paying interest charges and related legal costs. Sinking funds are pay-as-you-go and include no interest payments or associated borrowing costs, thereby limiting a district's need to borrow, and reducing overall costs.

The legislation further lessens the burden on taxpayers by reducing the total amount of mills that school districts can request from 5 to 3 mills and the number years that a school can levy a millage from 20 to 10. Additionally, by approving this measure, local voters still retain control over spending. Schools will continue to be required to conduct annual audits to ensure that the money is being spent appropriately.

Please support your local school districts by voting yes on House Bill 4388. Doing so will allow communities to purchase, maintain and improve technology and security in a more cost-effective manner. This common-sense legislation will allow tax payers to save money, schools to provide modern learning environments and students to thrive.

Sincerely,

Brad Biladeau
Michigan Association of School Administrators